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Macroeconomic policy questions

Sustainable development and international economic cooperation

Environment and sustainable development

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Globalization and interdependence

High-level international intergovernmental consideration of financing for development

Third United Nations Conference on the Least Developed Countries

Letter dated 20 March 2001 from the Ambassador of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the Final Communiqué adopted by the Thirtieth Meeting of the Chairmen/Coordinators of the Group of 77 Chapters, held in Geneva on 15 and 16 March 2001 (see annex).

On behalf of the Group of 77, I would appreciate it if the Final Communiqué annexed to the present letter could be circulated as a document of the General Assembly under agenda items 92, 94, 95, 96, 100, 101 and 102.

(*Signed*) Bagher **Asadi**
Ambassador
Islamic Republic of Iran
Chairman of the Group of 77

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Annex to the letter dated 20 March 2001 from the representative of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General

Final Communiqué
Adopted by the Thirtieth Meeting of
Chairmen/Coordinators of the Group of 77 Chapters
Geneva, 15 and 16 March 2001

1. Meeting at the United Nations Office at Geneva from 15 to 16 March 2001 under the Chairmanship of Ambassador Bagher Asadi (Islamic Republic of Iran), Chairman of the Group of 77, New York, the Chairmen/Coordinators of the Chapters of the Group of 77 in Geneva, Nairobi, Paris, Rome, Vienna and Washington, D.C. (Group of 24), adopted the following communiqué:

I. Follow-up and implementation of the South Summit outcome

2. We are committed to implementing the outcome of the South Summit, held in Havana from 10 to 14 April 2000 (see A/55/74). We strongly support the ongoing process of the implementation of the South Summit outcome carried out by various G-77 Chapters and we welcome the progress made by the G-77 Ad hoc open-ended Working Group on the Follow-up to the South Summit. Having identified priority areas of concern and competence of the different Chapters, we will — take every effort to mainstream those areas in the work of various United Nations organizations. We shall seek those organizations' support and assistance in implementing the relevant recommendations of the Havana Summit. We request the Working Group, to set, as a matter of priority, the modalities for operationalization of the Havana outcome, in particular the Havana Programme of Action, in the areas where the Group is requested to enter into cooperation with the international organizations. We have agreed to submit to the Chairman of the Group of 77 in New York concrete proposals within the relevant competences of the Chapters for the operationalization of the Havana Programme of Action.

3. Bearing in mind paragraphs 1 and 5 of section VI of the Havana Programme of Action on institutional follow-up, we considered the report prepared by the Chairman on the strengthening of the institutional capacity of the Group of 77 and enhancing coordination among the Chapters. We welcome the recommendations therein and commit ourselves to submitting our additional comments, including adequate information on existing arrangements and mechanisms in each Chapter, to the Office of the Chairman in New York by 30 April 2001, with a view to the expeditious endorsement and execution of those recommendations.

II. Third United Nations Conference on the Least Developed Countries

4. We considered the Third United Nations Conference on the Least Developed Countries, to be held in Brussels from 14 to 20 May 2001. In this regard, we welcome the commitment of the Heads of State and Government in the Millennium

Declaration to address the special needs of least developed countries, as well as their pledge of full support to ensure the success of the Conference.

5. We reiterate our full commitment to strongly supporting the preparatory process for the Conference as well as our readiness to advance the objectives of the Conference with a view to accelerating growth and development and the eradication of poverty in the least developed countries.

6. We pledge to work in partnership with all stakeholders to make globalization work for least developed countries by supporting least developed countries' efforts to build the requisite productive, human and institutional capacities. Moreover, we offer our assistance in creating a favourable international environment for their beneficial integration into the world economy and to ensure their sustainable development.

III. World Trade Organization Ministerial Conference

7. We recall the Havana Summit decision inviting the Group of 77 to consult and make efforts as necessary for coordinating the position of developing countries prior to UNCTAD and WTO meetings, including through Ministerial Meetings.

8. We are convinced that the current negotiations in the areas of agriculture and services under the "Built-in Agenda" should lead to concrete progress, including in those areas of interest to developing countries.

9. We welcome the decision of WTO to convene the Fourth Ministerial Conference in Doha, Qatar, and urge the member States of the Group of 77 to participate actively in the preparatory process for the Doha Conference with a view to ensuring that their interests are fully reflected in the future trade agenda. In this regard, a preparatory Ministerial Meeting of the Group of 77 should be convened before the Doha Conference in accordance with the South Summit mandate.

10. We urge that the process of decision-making in WTO regarding implementation issues should be completed before the Fourth Ministerial Conference in order to ensure that the interests and concerns of developing countries are fully taken into account.

IV. Financing for development

11. We have appraised the preparatory process on financing for development and fully endorse the convening of an international conference, under the auspices of the United Nations, at the highest political level, including at the summit level, with the name "International Conference on Financing for Development". The Group of 77 would also like to express its gratitude to the Government of Mexico for its generous offer to host this event. We stress the importance of the substantive agenda of the International Conference on Financing for Development.

12. Accelerated growth, lower levels of poverty and effective integration into the world economy call for adequate and reliable financing for development. The trend over the last decade has been to entrust international capital markets with the task of ensuring the right kind of capital flows to developing countries, at the right price and in the right amounts. We are not convinced that excessive reliance only and

solely on these markets offers the best approach to solving the financing problems of developing countries. Not only are private capital flows, including foreign direct investment, increasingly concentrated in a small number of emerging markets, but also a part of such flows is too unstable to constitute a reliable source of development finance. Boom, busts and unpredictability of private financial flows have been a major source of difficulty for management of these financial flows to the developing world.

13. Trade is the most important multidimensional mechanism available for almost all developing countries to mobilize and expand, both domestically and externally, financing for development. The recognition of special and differential treatments in favour of developing countries and an open, rule-based, transparent, non-discriminatory and predictable multilateral trading system are essential factors for a healthy global economic system.

14. We emphasize the importance of more stable and predictable financing for social and economic development and stress the important role that official development assistance can still play, in this respect, for the majority of developing countries, particularly least developed countries and other countries with limited potential for domestic savings or export earnings. Recent United Nations conferences have provided a clear programmatic basis for development cooperation. The Group of 77 regrets that there has been a declining trend in official development assistance. We call on all developed countries to strive for the fulfilment of their internationally agreed commitment of an official development assistance target of 0.7 per cent of gross national product and to earmark 0.15 per cent to 0.2 per cent for least developed countries.

15. We are particularly concerned that virtually all developing countries, irrespective of their stage of development, are hindered by the burden of excessive debt service. We agree that the solution to this problem lies in expeditious action to relieve indebtedness. As such, we welcome the important steps taken in this direction through the Heavily Indebted Poor Countries process and the cancelling of the bilateral debts of those countries. Nevertheless, we also believe that further debt relief measures should be developed and extended, including for indebted middle-income countries. Accordingly, we fully support the call made in a recent report of the Secretary-General of the United Nations for an independent assessment of the debt problem in developing countries with a view to its full and swift resolution.

16. We believe that the growing frequency and virulence of financial crises in the 1990s, including in countries with track records of good macroeconomic discipline, confirm the systemic nature and global reach of such crises. We acknowledge the various initiatives that, have been pursued to bring about greater global financial stability. However, we believe that to date, success has at best been modest and not satisfactory. We are particularly concerned that scant attention has so far been given to the role played by the institutions and policies of developed countries, especially large economies' macroeconomic policies, in triggering financial crises in developing countries. The Group of 77 supports a broader mandate for reforming the international financial system. This mandate should take into consideration issues of concern to developing countries, including a more balanced treatment of debtors and creditors regarding financial standards, regulations and burden-sharing, more stable exchange rates, more symmetrical surveillance and less intrusive conditionality.

17. We stress that the major creditor countries should loosen their grip on the agenda for the reform of the international financial architecture; they should accept that representation in existing multilateral financial institutions should become broader and more balanced and that meaningful participation by developing countries in the decision-making processes, as well as greater transparency in such processes, should be ensured.

18. We underline the commitment of the Group of 77 to continuing its active and proactive engagement in the financing for development process. With a view to ensuring the ultimate success of the International Conference, the Group is fully prepared to continue its full cooperation with all stakeholders and negotiating partners throughout the process.

V. Environment and human settlements

19. We welcome the positive outcome of the twenty-first session of the Governing Council of the United Nations Environment Programme/Global Ministerial Environment Forum, and commend the effective contribution made by the Nairobi Chapter to that outcome.

20. We reiterate that the world's environmental problems need to be addressed within the framework of the outcome of the United Nations Conference on Environment and Development, including in particular, the recognition of the principle of common but differentiated responsibilities. We note with concern that developed countries have yet to fulfil their commitment to provide developing countries with financial resources and environmentally sound technologies on a preferential basis.

21. We note with satisfaction that UNEP is now a stronger and more dynamic organization, and also that the Group of 77 in Nairobi has played a more active role in UNEP activities. We believe that UNEP needs to focus its attention and energy on the implementation aspects of all the major decisions taken in recent years.

22. While welcoming the positive outcome of the eighteenth session of the Commission on Human Settlements, we reaffirm that the Group of 77 attaches a high degree of importance to UNCHS as well as to the Habitat Agenda and the Istanbul Declaration. In this regard, we welcome the appointment of the new UNCHS Executive Director. The current process of reform and revitalization needs to be nurtured further.

23. We call on the developed countries to increase their financial contributions to UNEP and UNCHS. Developing countries also need to consider appropriate measures in this respect.

24. We note that the preparatory committee for the special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II), at its second and final substantive session, has prepared a draft declaration on cities and other human settlements in the new millennium. The Group of 77 will endeavour to transform the forthcoming special session of the General Assembly into a potent instrument capable of giving new momentum to the Habitat II process.

VI. Review of and follow-up to the World Food Summit

25. We welcome the preparations by Rome chapter for the forthcoming "World Food Summit: five years later", which will take place from 5 to 9 November 2001, during the thirty-first biennial Conference of the Food and Agriculture Organization of the United Nations from 2-13 November 2001, in Rome. This important initiative will bring together Heads of State or Governments, Ministers, national authorities and international organizations, in order to review progress in the implementation of the World Food Summit Plan of Action.

26. In November 1996, Heads of State or Governments from 185 countries as well as the European Community promised to dedicate their political will to obtaining food security for all and to making a constant effort to eradicate hunger in all countries, with the concomitant objective of halving the number of undernourished people by the year 2015. Urgent measures must be taken to stop and reverse the unacceptable trend in undernourishment.

27. Taking into consideration the concerns of FAO and its member States, we overwhelmingly support the next FAO Conference and call for collective action to meet and surpass, as quickly as possible, the goal of the World Food Summit.

VII. North-South dialogue

28. We stress the importance of a G-77/G-8 dialogue on strengthening international economic cooperation for development through partnership as an essential mechanism for the discussion of emerging and urgent issues relevant to the strengthening of a global partnership for development to further strengthen the efforts of the international community with respect to adopting a positive agenda and addressing development issues of international concern, including the implementation of the agreed commitments and outcomes of major United Nations conferences and summits. In this context, we call on the forthcoming annual meeting of the G-8, to be held in Italy in July 2001, to take into account the interests and concerns of developing countries. The Chairman of the Group of 77 in New York, as mandated by Havana Programme of Action, will convey those interests and concerns to that meeting.

VIII. Education

29. We have agreed that education should be one of the priorities of the Group of 77 and we note with satisfaction the proposal to include this subject in the next coordinating meeting as well as the invitation of the Group of 77 Paris Chapter to hold that meeting in Paris.

IX. South-South cooperation

30. We express our firm commitment to further strengthening South-South cooperation. This modality of cooperation is increasingly important, both as a strategy in support of development and as a means of ensuring the effective participation of developing countries in the emerging global economic order. Efforts

to promote South-South cooperation are increasing and need to be strongly supported. In this context, we call upon the forthcoming session of the High-level Committee on Technical Cooperation among Developing Countries to consolidate ongoing efforts, to further increase resources and to identify priority areas for South-South cooperation, particularly within the context of the follow-up to the South Summit. We are convinced of the need for the revitalization of assistance to developing countries for economic cooperation among developing countries/technical cooperation among developing countries through the United Nations system.

31. In this respect, we call upon the Administrator of the United Nations Development Programme (UNDP) to pay special attention to the concerns of the developing countries and to take the necessary steps to strengthen the Special Unit for Technical Cooperation among Developing Countries as the focal point within the United Nations system for South-South cooperation, as decided by the G-77 Heads of State and Government and as stressed by the Secretary-General at the South Summit. We further call on the UNDP Administrator to preserve the separate identity of the Unit and to allocate sufficient financial and human resources with a view to enabling it to ensure the full implementation of the South Summit decisions within its sphere of competence and to carry out its relevant mandates and responsibilities as decided by the High-level Committee on Technical Cooperation among Developing Countries and the General Assembly.

32. We pledge our support for the ongoing preparations for the tenth session of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC), to be held in Tehran, from 18 to 23 August 2001. Moreover, we will make a contribution to the preparation, recognizing that this IFCC session is taking place at a crucial juncture in South-South cooperation and will be inclusive of all the concerns and issues dealt with by the Chapters of the Group of 77, including the follow-up to the South Summit.

33. We welcome and endorse the proposed innovative format of this IFCC session along with its parallel events, in particular the meeting of heads of secretariats of regional economic groupings, the meeting of the focal points for South-South cooperation and the extraordinary meeting of the Group of 77 Chamber of Commerce and Industry called for by the Havana Summit.

34. We stress the crucial importance of the Global System of Trade Preferences among Developing Countries (GSTP) as an instrument for promoting South-South cooperation and trade in this context. We recall the decision of the Havana Summit to consider further widening and expanding the GSTP in order to enhance its effectiveness through the examination of possible ways of rationalizing the process of negotiations for the third round of GSTP negotiations. We urge the GSTP participants to continue their financial support to the GSTP through voluntary contributions and we further call on the secretariat of the United Nations Conference on Trade and Development to continue its support of the operations of the GSTP Agreement.

35. We note with satisfaction the progress made so far by the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries in support of South-South cooperation projects, and call upon all members of the Group of 77 as well as the United Nations system to support the expansion of the Trust Fund.

36. We have agreed to hold a coordinating meeting of the Chapters on the occasion of the tenth session of IFCC. Furthermore, we will hold the 31st Meeting of the Chairmen/Coordinators of the Group of 77 at United Nations Headquarters in New York on September 2001, prior to the fifty-sixth session of the General Assembly.